

SRC BUSINESS PLAN 2023/24

| Prime aim   | Measurement   | Prime Director(s) | Secondary Director(s)  | Comment/notes |
|---|---|-------------------|--|---------------|
| <b>PLAN OVERVIEW</b>  |   |                   | <b>How:</b>  |               |
| <ul style="list-style-type: none"> <li>• Developing a quality value for money service to our customers</li> <li>• Offering our customers an enhanced heritage railway EXPERIENCE</li> <li>• Diversifying into other markets and increasing secondary spend</li> <li>• Delivering a long held ambition of a regular service to Wareham</li> <li>• Better cost control and challenge to our spend</li> <li>• A move towards developing surpluses for the Company to achieve sustainable reserves to reinvest back into the railway</li> <li>• Recruit and retain more volunteers</li> <li>• Protecting and enhancing the environment with clear links to the areas of outstanding natural beauty that we operate within</li> <li>• Being better integrated and embedded within the local Purbeck community</li> </ul> |   |                   | 1. Improved and integrated governance / 2. Improved cultures and behaviours / 3. Increased management capacity and skills / 4. Maintained sound finances |               |
| <u>Developing a Quality Value for Money service to our Customers</u><br><br>Many elements of the public facing parts of the railway are extremely tired, particularly the stations and rolling stock.<br><br>Our strengths of positive public facing staff are in some areas negated by poor facilities to support them   | Refurbishing the Mk I A set and develop a heritage coach set.         | KP                | GJ   |               |
|   | Phased improvement to the ambience and infrastructure of the railway. | GJ                | TP   |               |
|   | Enhanced disabled facilities.   | GJ                | TP   |               |

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| <p>Some of our products such as special events are in need of revamping and we require a balanced portfolio of products for our core customers, enthusiasts and community.</p> <p>We need to offer an enhanced heritage experience and 'join the dots' of the attractions and features along our railway</p> <p>The constraints on railway land and property limit the ability to develop enhanced catering and retail facilities.</p>  | Enhance catering at Swanage.  | ES                | GJ                    |               |
| <p><u>Increase Passenger Numbers and Resultant Fare Income (I)</u></p> <p>The railway currently derives 80% of its income from passenger fares / footfall. Conversely only 9% comes from secondary spend</p> <p>Worryingly some areas are showing decline in footfall and the business is very vulnerable to even marginal fluctuations in utilisation. We need to develop services, products and special events that maximise (net) income and passenger numbers with options for further market penetration such as supplements for quality experiences, (Devon Belle, High Teas), coach party products and even pre booking for secured seats.</p> | Delivery of at least 10 special events in 2023.   | TP                | KU                    |               |
|   | Developing new on train catering such as high teas and fish and chip suppers                | ES                |                       |               |
|   | Increase coach and cruise party use   | TP                | KU                    |               |
|   | Increased driver experience opportunities   | TP                | KU                    |               |
|   | Develop education opportunities in tandem with heritage and conservation experiences        | ?                 |                       |               |
| <p><u>Diversification of funding</u></p> <p>Under current business models it is unlikely that the core heritage railway will generate sufficient surpluses to invest back into material capital and special projects.</p> <p>Indeed it may be that financial planning will indicate that the core business will have to rely increasingly on fundraising and grant income to be sustainable.</p> <p>There is clearly a need to build on the</p>   | Trust subsidy for Wareham services up to £100,000 secured                                   | GJ                | ES                    |               |
|   | Friends of Swanage Railway fundraising £100,000 towards enhancing heritage offer on railway | GJ                | ES                    |               |
|   | Develop skills to mount effective large scale grant bids                                    | GJ                | ES                    |               |

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| <p>fundraising and grant success of the Covid era and indeed the recent heritage grant received for the Corfe museum.</p> <p>Currently we do not capitalise on our charitable status and sacrifice £200,000 per annum in gift aid</p>   | Look to recruit dedicated fundraising officer / consultant  | GJ                | ES                    |               |
|   | Explore HMRC charitable status for the Company OR create a Unitary charitable governing body                        | GJ                | ES                    |               |
| <p><u>Wareham service.</u><br/>The public sector invested £5.7 million into the provision of these services yet the last trial service ran in 2017. A critical issue is adding Wareham services and additional seat capacity into the mix when the railway is currently running at only 31% average occupancy. The business plan with this basis of operation is showing a £100,000 loss unless it is integrated into a 'green timetable' providing balanced working to one train steam operation for the 90 days. It is planned to start Wareham services from 4<sup>th</sup> April, with a backstop of early May.</p> | Target start of 4 <sup>th</sup> April   | TP                | KU                    |               |
|   | Limit deficit to no more than £100,000 by integrating into green timetable use                                      | TP                | KU                    |               |
| <p><u>Enhanced Cost Control</u><br/>At all times, but particularly during adverse economic situations, the railway must impose enhanced cost controls.<br/>At the moment a lot of our key costs are rising including energy bills and coal. It is also evident there are incidences of waste and we are burdened by residual locomotive hire agreements that do not match current business needs</p>  | Delivery of cost savings of £300,000  | ALL               |                       |               |
|   | Continual scrutiny of all costs and cost centres on the railway   | ALL               |                       |               |
|   | Enhanced financial management reporting   | TP (LL)           |                       |               |
| <u>Future Capital investment</u>  | Move towards developing surpluses for the Company to develop sustainable reserves to reinvest back into the railway | ALL               |                       |               |

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| The railway has a considerable backlog of capital and special project expenditure. This is estimated to be £1.8 million as at spring 2022.   | Work with the Trust to develop other capital funding sources from grants to fundraising and increased legacies               | ALL               |                       |               |
| Until recently there has been no clear consistent plan to prioritise capital spend and match it to either business need or potential funding sources. There is a need to look at larger scale projects such as the development of the Swanage Station site, Norden and projects that may transform operations such as the 6 coach facilities at Swanage  | Development and maintenance of a priority programme for such investment that maximises the payback and return to the railway | GJ                |                       |               |
| <u>Volunteers and Staffing</u><br>The railway currently relies on approximately 500 volunteers across all departments putting varying degrees of time into the railway.<br>As a minimum this provides the railway with approximately £1.3 million in unpaid resource.<br>In common with many other charitable organisations this resource is declining<br>The railway had a separately externally funded VRRO post but this has now ended and the post is vacant<br>We have a loyal paid workforce a number of which have gained considerable expertise and skills that benefit the railway. There are inevitable pressures to pay competitive wages and salaries. | Fill the VRRO post   | ES                | GJ                    |               |
|  | Recruit more volunteers through specific initiatives   | ES                |                       |               |
|  | Enhance communication with volunteers and staff  | TP                | NA                    |               |
|  | Develop KPI's for monitoring volunteer satisfaction  | ALL - lead?       |                       |               |
|  | Build on the potential of the Sygnets youth group  | ES                |                       |               |
|  | Recruitment and retention initiatives for paid staff by growing the business to increase rewards                             | ALL               |                       |               |
| <u>Environmental Sustainability</u><br>The railway runs through areas of outstanding natural beauty and as a responsible public facing body it should do all it can to support the environmental sustainability of the local area  | Build environmental issues into education provision  |                   |                       |               |
|  | Link the railway to Norden woodlands and the recent grant received   | TP                |                       |               |

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| <p>sustainability of the local area.</p> <p>We are already responsible for removing 60,000 return car journeys from Purbeck's roads</p>  | Further market the park and ride facility existence and benefits | TP                |                       |               |
| <p><u>Being better integrated and embedded with the local Purbeck community</u></p> <p>The railway has become more distanced from the local community that was the genesis of the development of the Swanage Railway in its early days</p> <p>This despite bringing £15 million into the local economy. Currently we do not attract enough local volunteers in areas such as catering and retail</p> | Enhance liaison with local forums and the PCRCP                  | GJ                |                       |               |
|  | Hold regular community events                                    | ALL               |                       |               |
|  | Focus volunteer recruitment from within the community            | ES                |                       |               |
|  |  |                   |                       |               |